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OCS, the operator designated under the lease or unit operating agreement for the lease may be the designated applicant only if the operator has agreed to be responsible for compliance with all the laws and regulations applicable to the lease or unit.

- (c) The designated applicant for a COF on a permit must be the permittee.
- (d) The designated applicant for a COF on a RUE must be the holder of the RUE or, if there is a pipeline on the RUE, the owner or operator of the pipeline.
- (e) MMS may require the designated applicant for a lease, permit, or RUE to be a person other than a person identified in paragraphs (b) through (d) of this section if MMS determines that a person identified in paragraphs (b) through (d) cannot adequately demonstrate OSFR.
- (f) If you are a responsible party and you fail to designate an applicant, then you must demonstrate OSFR under the requirements of this part.

 $[63\ FR\ 42711,\ Aug.\ 11,\ 1998,\ as\ amended\ at\ 64\ FR\ 72794,\ Dec.\ 28,\ 1999]$

§ 253.12 May I ask MMS for a determination of whether I must demonstrate OSFR?

You may submit to MMS a request for a determination of OSFR applicability. Address the request to the office identified in §253.45. You must include in your request any information that will assist MMS in making the determination. MMS may require you to submit other information before making a determination of OSFR applicability.

§253.13 How much OSFR must I demonstrate?

(a) The following general parameters apply to the amount of OSFR that you must demonstrate:

If you are the designated applicant for	Then you must demonstrate
Only one COF	The amount of OSFR that applies to the COF.
More than one COF	The highest amount of OSFR that applies to any one of the COFs.

- (b) You must demonstrate OSFR in the amounts specified in this section:
- (1) For a COF located wholly or partially in the OCS you must demonstrate OSFR in accordance with the following table:

COF worst case oil-spill discharge volume	Applicable amount of OSFR
Over 1,000 bbls but not more than 35,000 bbls	\$35,000,000 70,000,000 105,000,000 150,000,000

(2) For a COF not located in the OCS you must demonstrate OSFR in accordance with the following table:

COF worst case oil-spill discharge volume	Applicable amount of OSFR
Over 1,000 bbls but not more than 10,000 bbls	\$10,000,000 35,000,000 70,000,000 105,000,000 150,000,000

- (3) The Director may determine that you must demonstrate an amount of OSFR greater than the amount in paragraphs (b)(1) and (2) of this section based on the relative operational, environmental, human health, and other risks that your COF poses. The Director may require an amount that is one or more levels higher than the amount indicated in paragraph (b)(1) or (2) of this section for your COF. The Director will not require an OSFR demonstration that exceeds \$150 million.
- (4) You must demonstrate OSFR in the lowest amount specified in the applicable table in paragraph (b)(1) or (b)(2) for a facility with a potential worst case oil-spill discharge of 1,000 bbls or less if the Director notifies you in writing that the demonstration is justified by the risks of the potential oil-spill discharge.

§ 253.14 How do I determine the worst case oil-spill discharge volume?

- (a) To calculate the amount of OSFR you must demonstrate for a facility under §253.13(b), you must use the worst case oil-spill discharge volume that you determined under whichever of the following regulations applies:
- (1) 30 CFR Part 254—Response Plans for Facilities Located Seaward of the